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KIDS NATURE CAMP

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(#467)

A Project carried out on the Business Model Design course, under the
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Executive Summary

Kids Nature Camp is an ambitious project that has the intention of improving children's life style using what Mother Nature (through Agriculture) has to offer, through the delivery of information and training concerning the adequate eating habits to have. Secondly, the objective is to, also capture the influencers' interest to this project, not only for their children wellbeing but also for their own, filling in all "areas" a gap that competitors don't fill.

KNC will have all the tools in its working area to reach this objective, by having available diverse products and services, such as, Fitness Class for Kids, Nutritional Appointments and harvest with vegetables; all with the assistance and help of qualified staff. This offer is designed to reach a broad target, but mainly children that the firm is hoping to be influenced by parents, teachers and doctors...

As it will be possible to observe, the number of overweighted children has been increasing in the last years (one in every three, with ages between 7 and 9 years old), consequence of the unhealthy eating habits at school and even while parents supervision that tend to choose fast food chains to compensate their children (guilty market).

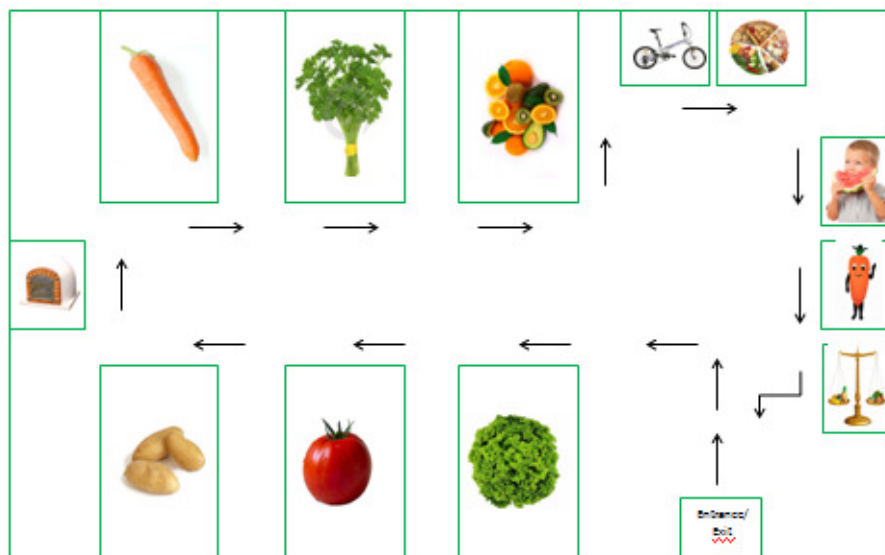
For this initial phase of the Project, Lisbon is the area chosen to start, in a field with the right conditions to plant and accessible to the largest number of users possible (during the week and weekend), having a prediction of launch of 4 months.

Observable along the Business Plan is also, the fact that this is a project with a small investment (90.000 Euros) that, according to the Financial Analysis, may be recovered in less than a year.

Introduction

This Business Plan aims to create a firm's project, the Kids Nature Camp. This Camp will have the ultimate goal of improving young generation's life style concerning their eating habits promoting added value to all the stakeholders and community. It will try to educate children and teenagers, providing them the information and the tools for a healthy and non-sedentary lifestyle, through the usage of what Nature has to offer, among others.

Its base will be around Agriculture, where customers learn and follow how vegetables grow and how important they are for the day to day eating habits. How can the firm answer this is the million dollar question. It will be an integrated project with a careful selected variety of functions, partners and added value activities promoted in a strategic spot. The path to follow is of the outmost importance so that there can be an impact on the next generations of children, and their attitudes along their adult life. It will show how KNC intends to this with the most positive impact possible. So, the camp will have vegetables planted in a kind of circuit with informative plates for each harvest, where will be visible the growing season, the growing time frame, the advantages of each specific vegetables. At this point, visitors/customers can purchase the wanted vegetables (weighted and priced) as well as subscribe the responsibility of planting their selves a certain vegetable. The goal is for customers to have a motive to make them return to the Camp and follow the development of something that they personally are responsible for. Moving on across the circuit, there will be an area of "eating properly" tips, given by an accredited nutritionist where health tips will be given, such as the proper portions to eat. After these tips it is important to transmit what is essential to work concerning the human body in addition to the nutritional tips. Therefore, in another area, there will be an accredited fitness teacher, that will teach customers, light exercises on how to burn calories, from the youngest child to the oldest. On the Cooking Area, there will be a Chef who will teach, not only children but mainly their parents, on how to cook the vegetables without losing their important nutrients but also, show what food is most favorable for a healthy lifestyle. There will be a general activities area, where children are allowed to play freely, with the main objective of connecting with Nature and what it has to offer. Finally, how to motivate children and their parents (adults) to come back to KNC? To complement what was seen in the camp its is relevant to be available attractive merchandise, so that a symbol of the firm can be purchased and be present and visible at the customer's home. This merchandise will be in the format of vegetables converted in toys: Souvenir Store.



Business Description

The KNC business idea, was created to respond the urgent need of the youngsters to eat better due to the obesity problem. There is in this area, not only an opportunity but mainly a responsibility to “grab” since, there is a low awareness on bio-agriculture, a lack of knowledge of positive and negative aspects of it, a sedentary life-style (no contact with Nature) and, Un-healthy and Un-balanced eating habits. There also is the opportunity to educate Families, Schools and Children to the advantages of what agriculture has to offer in the best and simplest way possible.

For this to happen, there will be an accredited and focused Team, ready to respond to this challenge.

The reason to believe in this business project is the data available from the past 10 years, where in general, Obesity and overweight appears in second place concerning the most common cause of death in the World and also in Portugal. In simple terms, obesity is a disease where accumulated body fat has a strong (and negative) impact on health. It is also alarming notice the following data ⁽¹⁾:

- More than 30% of children between 7 and 9 years old are obese or over-weighted
- One in every three children
- 45% of children referred that they watch TV while doing other activities.
- The time spent watching TV and playing video games is known to be higher than the time spent around Nature.

Unfortunately, these numbers don’t seem to decrease in the past years. In my opinion based in the research done, there is still a lack of extracurricular sports activities, lack of easy access to information on the long term effects of obesity to the general audience and specially children. There isn’t also a rigorous appliance of the law concerning the follow up of children in

⁽¹⁾www.hevora.min-saude.pt/docs/pediatrica/obesidadeinfantil

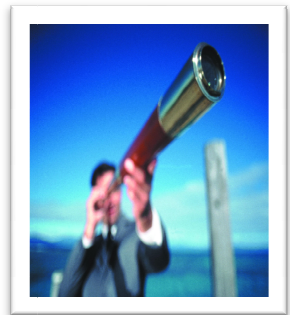
schools, by a nutritionist in every municipal cities. Professionally speaking, it is also alarming the fact that (all over the world), in average, over weighted people earn less 8 to 10% at the end of the year.



Value Proposition

Vision

Portugal as a Responsible, able company concerning and nutritional education in



Mission

ducation that enhance what concerning a Healthier



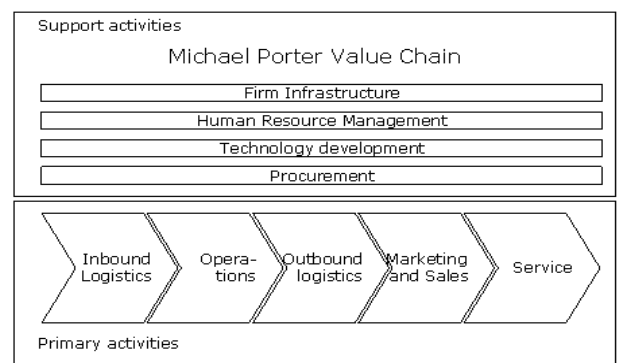
Strategic Objectives

Using the SMART table as guidance, being the objectives to achieve, Specific, Measurable, Achievable, Realistic and Time Bondless, they are the following:

1. Reduce in 8 to 10% the number of children with weight problems between 7 and 9 years old in the next 5 years.
2. Increase time spent in outdoor activities in 30% in 2 years;
3. To be recognized as a positive influence in children and families eating habits and health concern in Lisbon in the next two years.

The Value Chain

Has two types of activities concerning value creation: primary and “supportive”. Being primary the ones that concern the product physically and services, the secondary or “support”, support the primary activities, being connected and responsible for materials purchase, Human Resources, etc...



- **Inbound Logistics:** Every time raw materials are received by the staff, they are weighted and an estimation of production (in normal conditions) is done and then stored. Every “seeds” received will be stored in a small “warehouse” refrigerated and with no direct sunlight, since the direct light can influence the seeds’ basic properties necessary for a strong growth.

- **Operations:** The company has efficient irrigation systems supplied by *Rain Bird* which will use water more efficiently than the ordinary systems that spend, in average, more 20% of water. This system will not only offer what the seeds need to grow in a more controlled way, but also have a huge impact on the cost structure and in last instance, will influence the final price charged to consumers.

Seeds will be planted manually by the company’s staff, which is believed to enhance the vegetables quality, having as a lonely disadvantage the factor Time.

Concerning the activities available in the Camp (nutritional appointments, cooking classes, etc..) they will increase hugely the quality of the services provided to customers, having in only in one place all these activities to educate de consumers. On the other hand, this differentiation factor will initially increase costs for the company which we’ll hope will decrease along time as more consumers prefer to choose our project to the one’s of our competitors.

- **Outbound Logistics:** About 20% of production will be delivered to consumers (private/individual and small, local supermarkets), in a place they appoint and to be done by one of our staff members or delivery services (outsourcing). The objective is for the company

to have 1 or 2 refrigerated vans for deliveries to customers so that the characteristics and quality of vegetables can always be assured.

• **Marketing and Sales:** One of the most important activities of the value chain. Market Research must be a constant (every 6 months), not only concerning consumers and our target, but also concerning what our competitors are doing, if there are potential entrants to compete directly with us and what they intend to do.

Promotion will be done mainly near schools, supermarkets and hospitals in order to capture directly our main target (children) and also their parents (decision makers), Product placement is also a possibility.

Our staff will be highly motivated to provide advices (sell “indirectly”) to consumers so that, in the end of the “tour” they purchase has much product as possible. This motivation to help will be visible from the agriculture professionals to fitness teachers.

This effort to help, to provide valuable information to consumers, in a nice and exciting way is expected to motivate the consumers to come back and be part of this movement on the long term, in order to educate the future generations about food. CRM tools can be a valuable weapon to manage the customer’s relationship with the Camp.

• **Service:** There will be available a department “Provedor do Cliente”, so that with the customer’s opinion we can improve the quality of the service provided and move towards where the customers point out and give them the motivation to be part of the project. All staff will be “educated” to provide valuable, relevant and actual/ current information.

All the services will be inserted in a warranty policy, following legal obligations from the respective entities, which will be strictly performed.

• **H.R Management:** We will have a rigorous recruiting process where knowledge about agriculture and its benefits to consumers, and communication skills are very important. The work environment should automatically minimize distress and increase motivation through rewarding systems that may be related to the affluence numbers.

There will be constant training, as well as confidential questionnaires to receive feedback from collaborators concerning the company’s work method and conditions.

• **Technology Development:** Using the equipment supplied and developed by our partner (Rain Bird), we will try to make the best use of its properties, concerning time and money.

• **Procurement:** Given the fact that KNC is a start-up, its bargaining power is still not very significant. Therefore it is essential to maintain a good, healthy and long term relationship with our raw materials suppliers; due to the worldwide crisis, what they sell is getting more expensive.

The main objective will always be to try to reduce the dependence to suppliers and also to, adopt rigorous and sustainable methods of purchase of new equipments.

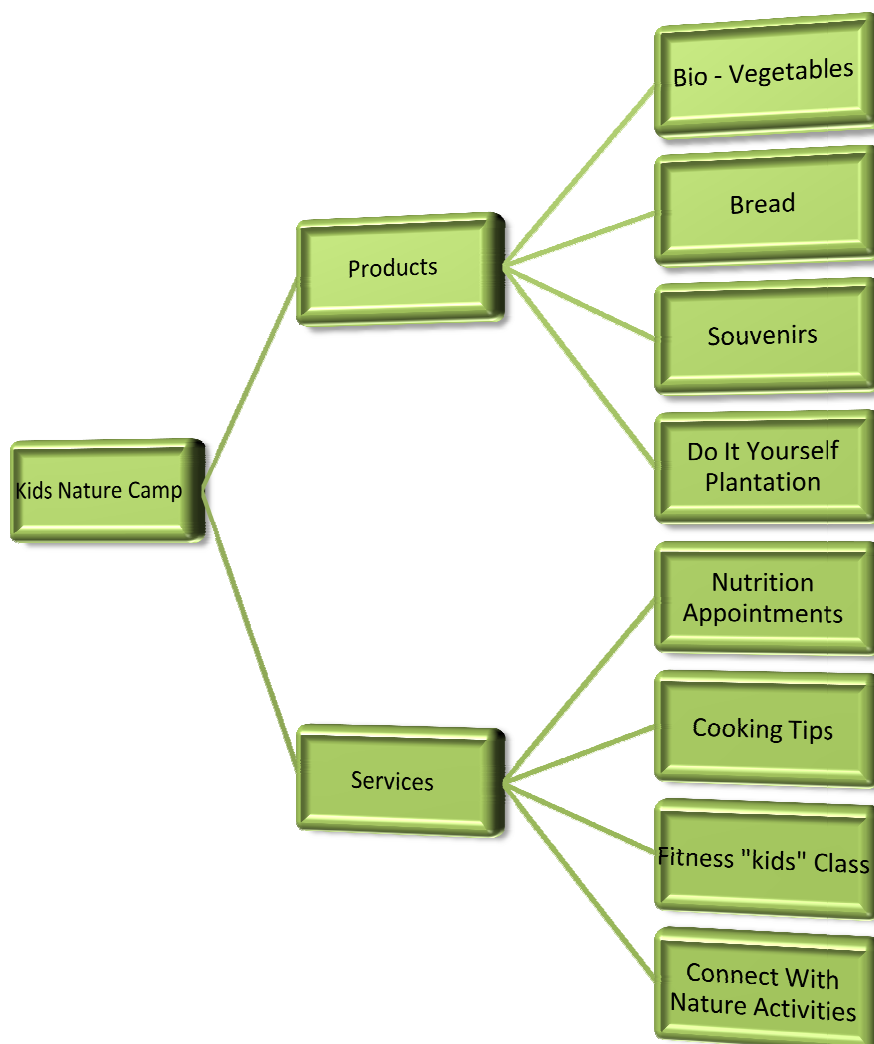
• **Firm Infrastructures:** The company must pay attention to market opportunities that may rise concerning products or services, as well as, threats. Possess the ability to find ways to finance the working capital, and to keep current all the management information about the environment and the competition.

From these elements of the Value Chain, most of them is done internally, meaning this that only Technology Development and Outbound Logistics will be outsourced; this last one, at least in an initial stage. Marketing Development will be managed by the administration staff. Analyzing the weight of this Value Chain analysis, concerning the percentage cost contribution to the company and which one(s) contributes more to the company's profit, the following table makes it easier to understand.

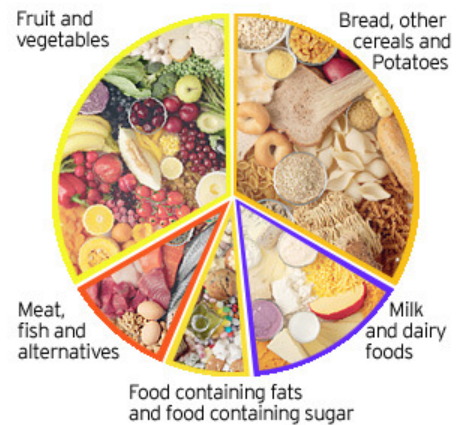
	Inbound Logistics	Operations	Outbound Logistics	Marketing & Sales	Service	HR Management	Tech. Development	Procurement
Cost Contribution	5%	25%	15%	5%	5%	15%	25%	25%
Profit Margin	5%	20%	——	40%	5%	5%	5%	20%

Products and Services

Diving deeply in what KNC has to offer to its customers, aside of its “subjective” objectives, Products and Services complement all the objectives proposed before being the ones most adequate and efficient to better reach the firm's goals.

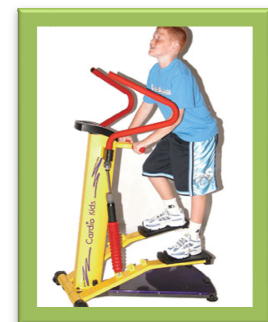


- **Nutritional Appointments:** There will be a qualified nutritionist to talk to the customers, in order to understand their standard eating habits and then be able to correct them. The nutritionist must try to create a bond with the “patient” so that there a commitment on substituting harmful food for healthier ones, like a negotiation. Along the appointment, miscellaneous information about food will be given as well as the “why’s” regarding the eating recommendations: always having the Food Balance Wheel visually available.



- **Cooking Tips:** This area will have a Chef that must have outstanding communication skills so that children find interesting: the basic principles of a healthy alimentation, the identification of food and its properties, to learn how to use some kitchen tools as well as to gain contact with simple food preparation techniques. Ultimately, the objective is also to create a positive environment around eating and to “promote” the relationship children/Nature.

- **Fitness Classes for Children:** Simple, moderate and adequate exercises to help and motivate youngsters to move, in order to exercise all possible muscles that normally are “forgotten” in simple day-to-day life. Qualified fitness teachers, will be able to calculate body fat indexes as well as do physical evaluations of costumers so that their physical conditions are analyzed. There will also be available appropriate fitness machines according to the user’s age, such as treadmills, spin bikes or stepper. This area will be (when possible) at open space so that, the contact with Nature is always enhanced. It is important to clarify that weight loss is not the main objective here, but...



- **Outdoor Activities to connect with Nature:** Open space, so that children can play, contacting with the dirt and play old and classic games like marbles and pivot (“pião”). The firm intends also to have a “construction/building” space, where children can build safely (with the staff supervision) houses in trees, chairs, tables, etc. hoping to form independent and creative human beings.

• **Bio Agriculture Products for sale:**

	When to Plant	Harvest	Care/Tips
Potatoes	March or April	After 100-120 days	<ul style="list-style-type: none"> • Watered regularly • Check for pests • Sun exposure before storage
Carrots	March (Spring)	June	<ul style="list-style-type: none"> • Pests • Carrot Flies
Lettuce	March to September	May to November	<ul style="list-style-type: none"> • Weeds • Flies
Tomato	May to June	Between July and October	<ul style="list-style-type: none"> • Regular Irrigation • Check for pests • “Virgin” soil
Herbs • Parsley • Coriander	All Year	All Year	• Be Patient
	Spring till Summer	Constant Picking	• Regular Irrigation
Onion	May to April	June to September	<ul style="list-style-type: none"> • Unplanted dry spot • Moderate Irrigation • Sunlight exposure before storage
Garlic	October to November	Summer	<ul style="list-style-type: none"> • Pests • Sunlight exposure before storage

• **Growth followed by customers:** Harvest space, with nothing planted so that usual visitors can plant their own vegetables and see its development and probably, for the ones who can, do the same thing at home.



• **Bread:** Separating two of the harvests there will be a Wood Oven, where bread making process can be followed; information about its properties will be given since more than one kind will be available. As for all the products, visitors can purchase at this point.



• **Souvenirs:** Small store with symbolic souvenirs from the visit to the KNC, like educative books, “vege-toys” (toys with the “shape” of the seen vegetables)



Business Environment

Concerning the sector, the KNC is inserted somewhere between the Agriculture and Education. What makes this market so attractive, has we will see further with the Porter Analysis is the fact that there isn't a single business in Portugal or even in Europe, that can convey all the services and products that KNC does, in a all-in-one business. There are also many governmental incentives and no entry barriers known for this kind of businesses and/or initiatives.

While analyzing the environment, Key Drivers and Market Trends were fundamental to define how well or not this project can work in the market.

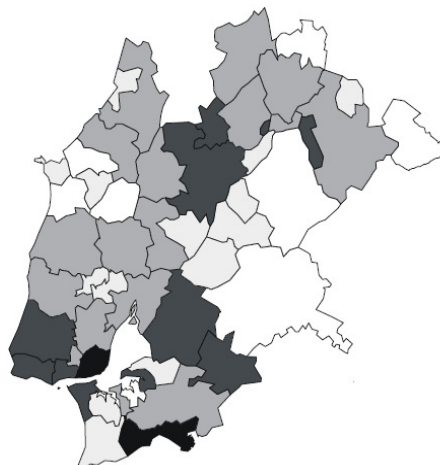
MARKET TRENDS	KEY DRIVERS
<ul style="list-style-type: none">• Health Concern;• Women are increasing and leading in weight gain as teenagers;• Image and Look concern;• Time spent at home;• "Biggest Loser" impact	<ul style="list-style-type: none">• Social/ Cultural: lifestyle impact (nutrition appointments, education,...), financial crisis leads to cutting in vegetables purchase;• Ecological: Use what nature has to offer and use it in the community's and company's behalf.

Given all these aspects, I believe KNC has the first mover advantage since this is one of a kind project in Portugal as mentioned before.. Associated to this fact, the thematic farm can create a Differential Advantage from their competitors, since its products and services are part of an experience and therefore (hopefully) perceived by the customers has a better choice when comparing with competitors.

The Market

Looking more carefully at the market, and using the data of the last Census (2001), the Portuguese population was accounted for 10.356.117 people, where 6% (1.656.602)⁽¹⁾ are children with less than 15 years old and therefore, represents KNC's target.(1)

After the North of Portugal and Azores, Lisbon is the area municipality where there is a larger concentration of the targeted audience.



What are Lisbon's advantages to launch the Project?

→ Portugal's Capital

→ Higher Per Capita GDP (decision makers (parents) earnings is vital)

- In 1998 (last study found), in the area of Lisbon, the average per Capita GDP was around 22.500 Euros per year. ⁽²⁾

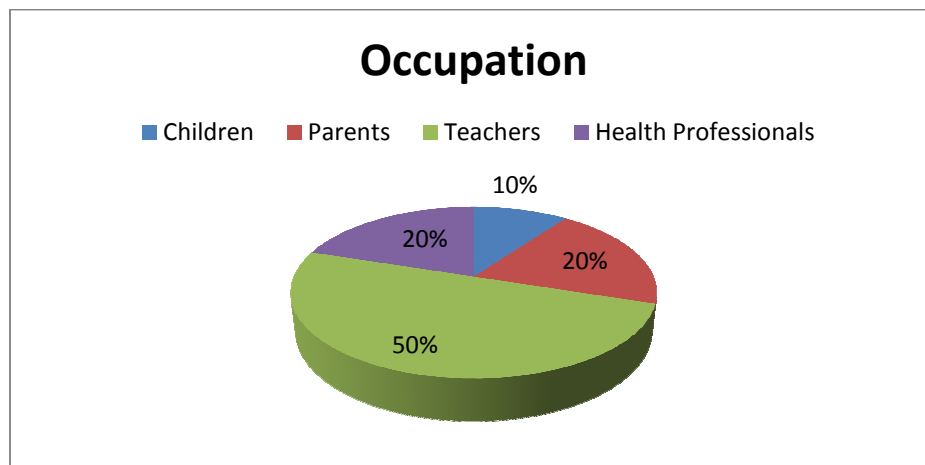
→ More availability to new and innovative projects.

Lisbon is also the area where there is a larger concentration of teenagers with weight issues, giving KNC's services and products a good chance of being successful. We have the problem detected, we spotted the opportunity, developed the solutions (products and services) and now it's all about making consumers aware of its existence and real advantages.

On the short term, we hope to alert the general consumers to the obesity problems affecting teenagers and subsequently increase their awareness on what we have to offer and "deliver".

On the long term perspective, our objective is to impact the largest number of children in Lisbon and reduce 8 to 10% the number of children with less than 15 years old with weight problems, as we already stated in the strategic objectives, as well as try to motivate them to outdoor activities.

Segmentation



Nowadays, and how it was previously shown, children and teenagers are growing with the concern of their body aspect, so that the acceptance by their pairs is easier. It's a cause of the society we live in. So, the physical aspect will be influenced by exercise and eating habits that will influence directly the health condition, future and current.

Both these aspects will be covered and offered by KNC as a response to these needs, through the products and services available.

⁽¹⁾ Revista de Estatística – Estimativas do PIB per capita para os concelhos do continente português, 1998

⁽²⁾ INE – Dia Mundial da Criança, As Crianças em Portugal, 30 Maio 2003

Looking at our main segments, we try to obviously reach children but mainly their Influencers and ultimately the Buyers. Therefore, we look at health professionals (doctors, pediatricians, nutritionists) and teachers (50 % + 20%) as vital for the success of this project, since their opinion “will” be heard and perceived as valid for the buyers and decision makers, the parents. Prioritizing, these last ones appear right after when we’re focusing our commercial offer, since the time spent in family is proved to be increasing.

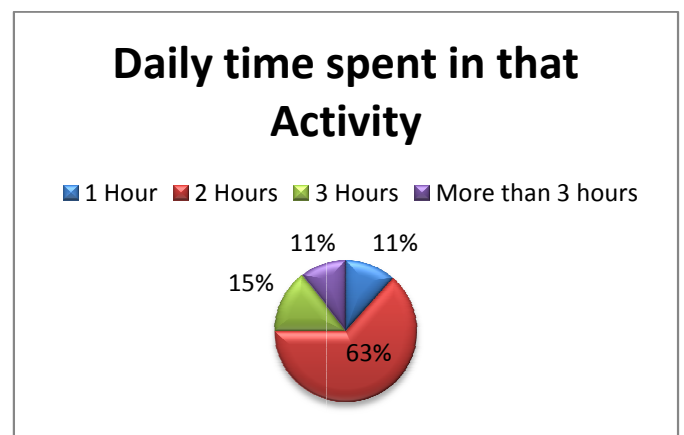
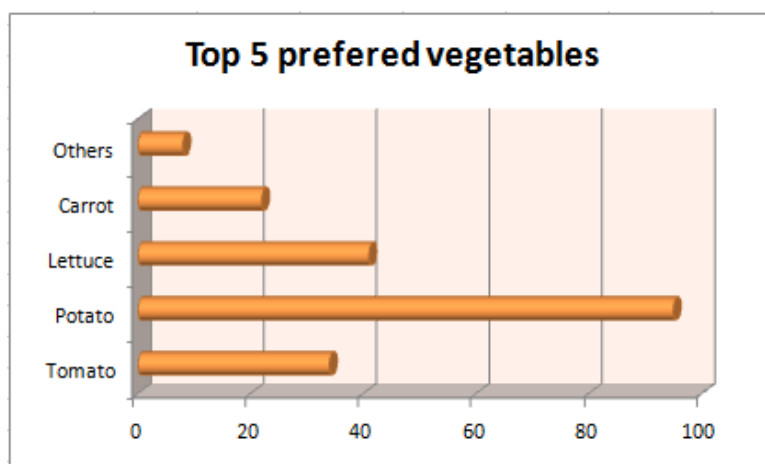
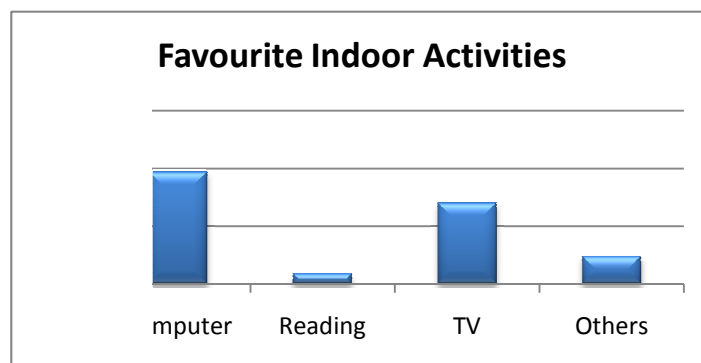
This overall focus is justified by the indisputable impact of schools in shaping these young generations’s mind, since most of their day is spent there and their personalities defined in early ages. The main objective of this segmentation are to reach youngsters as fast as we can, taking advantage of the current weather conditions and scholar schedules that are favorable for a strong start.

At this point, to better understand the market and mainly our target’s behavior, it was vital and imperative the conduction of a Survey. We considered relevant to ear not only children and teenagers but also adults (parents). It is very important to get the facts right concerning our target’s likes and dislikes, what kind of food they eat, their favorite hobbies and what are the “after school” activities.

Sample Details	
Children	Adults
N=200	N=50
Ages: 7 – 15	Ages: 33 – 56
Area: Lisbon	Area: Lisbon

As for every study, some answers are expectable but the most important and relevant are the other ones that are the reason why these questionnaires are done.

Checking the results we get the following graphs and may assume some conclusions:



Selecting some of the graphs obtained in the survey, in this case it would be possible to predict the teenagers answer for these two questions. It is indisputable the importance of the computer and the internet in the day to day life of the current young generations. The objective of these and other questions of the survey was to understand how our targets spend their time and what is the KNC going to face.

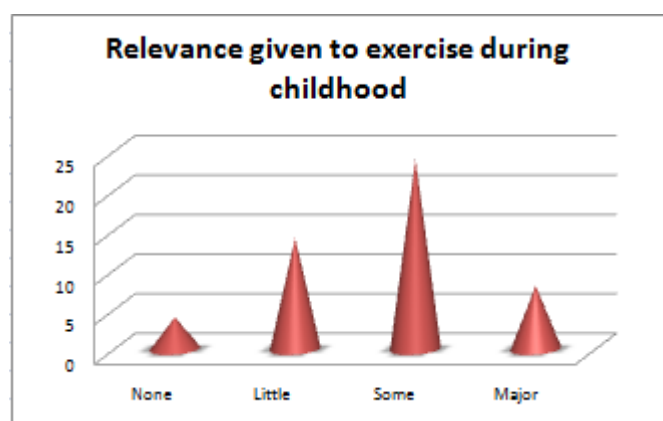
When being more specific, in order to understand and define what kind of vegetables should the KNC plant to move towards the target's preferences, the top five favorite vegetables was inevitable and quite straight forward. The multiple answers not only helped us to define what kind of vegetables to plant, but also in what quantities at a first stage of the project.

In the survey directed to the parents, we tried to understand their point of view, concerns and flexibility towards their children's eating habits and future education and training in this matter. To check the viability of the project we had to know if it was indifferent for this sample of parents, the time and the activities their children spent at home in their free time. More than 50% of the sample stated that they were concerned about the time their children spent at home while they could be outside whereas 18% revealed their indifference of the subject.

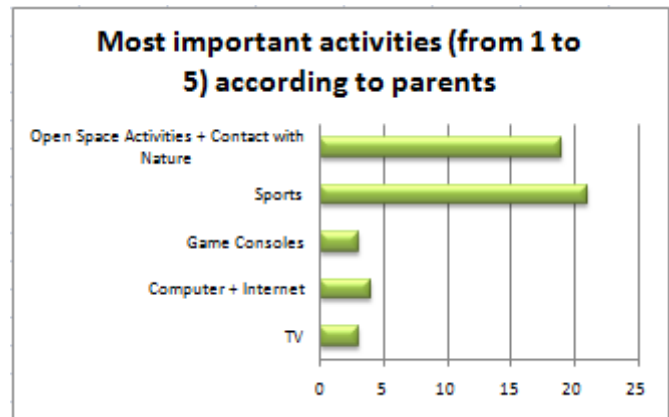
Since the parents have a huge impact and responsibility on what their children do and how they occupy their free time and, taking into account the answers given in the previous question, the following question proved to be very important, because it allowed us understand after all what relevance they give to the practice of physical exercise from the part of their children.

As we can observe, we could think that the parents would give a big importance to their children's exercising habits, but that isn't very

clear here. Predicting again, some abnormal fact, the question Why was placed next. Amazingly, 24% of these adults stated that they didn't give much relevance to the exercise because "they have time to think about that" and only 17% showed some concern on the subject. This fact gives KNC an extra "power"/ motivation to influence the children's habits, not only nutritional but also physical.



However, when asked to classify the most important activities from the five proposed, it's confusing to read the fact that they value Sports and Outdoor activities. This probably means that parents, maybe unconsciously acknowledge the importance of these activities but in practice they respond



that is too soon to worry about that. For KNC this last question and reasoning is very positive because the parents seem to value the activities we promote, giving us the objective of passing the information on how important this is for their children's growth and healthy future.

Next, it will be visible that the firm's segmentation strategy is done, not only considering internal specifications, but also concerning what our main competition is doing; a careful analysis of what they are doing and mainly not doing and not offering to customers.

Competitive Assessment

At a first stage, while analyzing what would be KNC's competitors, many questions appeared. Would it be fast food chains (that affect the accomplishment of our main objective)? Would it be Supermarkets (that sell the same products but...can be potential partners in a near future, by spreading the word about KNC)? Would it be general kid's summer camps?



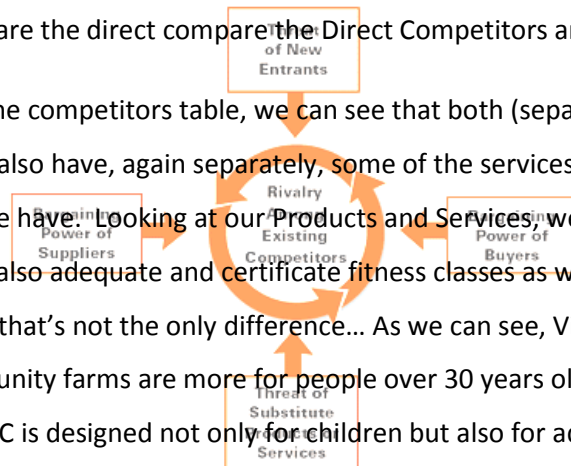
We arrived to the conclusion that they are competitors but since their core business isn't mainly Agriculture, we consider the "real competition", the direct competitors. Looking at what our direct competition is doing it is clear the common factors with KNC. However, we will try to have the products and services we considered vital to our target all in the same place, minimizing the customer's "moving efforts" and therefore maximizing their satisfaction.

Competitors	Where?	Target?	What they offer?
• <u>Vitamimos</u>	<u>Carcavelos</u>	Children (< 15)	<ul style="list-style-type: none"> • <u>CookingClasses</u> • Physical Exercise • Birthday Parties • Events • School Programs
• <u>Chelas</u> and <u>Other Lisbon's Community Farms</u>	Lisbon	Over 30 years old	<ul style="list-style-type: none"> • Small harvest Spaces; • Gardening Tools • 24/7

Valuable?	Rare?	Difficult to Imitate?	Supported by Organization?	Competitive Implications	Performance
No	---	---		Competitive Disadvantage	Below Normal
Yes	No	---		Competitive Parity	Normal
Yes	Yes	No		Temporary Competitive Advantage	Above Normal
Yes	Yes	Yes		Sustained Competitive Advantage	Above Normal

We believe that some services don't make sense without others; it is not enough to tell someone that eating more vegetables the Direct Competitors and the VRIO framework. is very important without clarifying the proper daily/ weekly respective portions to eat. At this point it is relevant to compare the direct compare the Direct Competitors and the VRIO.

Analyzing the competitors table, we can see that both (separately) have the same target we do. They also have, again separately, some of the services and obviously products (vegetables) that we have. Looking at our Products and Services, we try to add value to our business by having also adequate and certificate fitness classes as well as Nutrition Appointments; but that's not the only difference... As we can see, Vitamimos's target is only children and community farms are more for people over 30 years old which gives us an advantage since KNC is designed not only for children but also for adults, ultimately parents and their sons/ daughters.



<u>Threats of New Entrants</u>	<u>Threats of Substitutes</u>
<ul style="list-style-type: none"> • No Barriers to Entry • Medium Cost to Imitate 	<ul style="list-style-type: none"> • Community Farms • Summer Camps • <u>Others...</u>
<u>Bargaining Power Suppliers</u>	<u>Bargaining Power Buyers</u>
<ul style="list-style-type: none"> • Nutritionists • Chefs • Raw Materials • General Equipment • Agricultural Engineers 	<ul style="list-style-type: none"> • Families • Schools • Super and mini market

This advantage will not only put these different generations working and bonding through agriculture but mainly there will be a strengthening in relationship between parents and their children having Nature's magnificent

and relaxing surround as background.

Indirectly, the previous argumentation justifies where KNC is located in the VRIO Framework (marked in red) regarding its Value and Rarity: Temporary Competitive Advantage.

The Value is noticeable along the Project, where it is exposed what KNC will be able to do, concerning this market opportunity, and how it can “defend” itself from the competitor’s moves. The Rarity is here considered “valid” since our resources (products and services) and capabilities are all at the same location, and that two of the characteristics aren’t fully available from the direct competitors we consider.

These factors, in my opinion, make KNC a company with a temporary competitive advantage and with the possibility of an above normal performance.

This decision of where to be inserted in the VRIO Framework can also be supported by a Porter 5 Forces Analysis that ultimately will allow us to define or have a perception of the intensity of Rivalry in the industry.

Thinking outside the box, we can add on New Entrant the Brand identity, on Substitutes, buyer inclination to substitutes and price performance, on Suppliers, the importance of volume to our suppliers and on Buyers add, price sensitivity, substitutes available and buyers information.

Given this, it is important to state that, in our opinion, the Buyer Power as well as Threat of New Entrants and Substitutes play a decisive role in this market. Since production costs aren’t very high (assuming a already existent planting place) this makes entry costs not very high and therefore will increase the Rivalry in the industry. On the other hand we could look at competitors as a “disturbing” factor; they are not so “complete” (in terms of activities) as KNC, which can decrease the rivalry or it may increase it taking in to account their efforts to imitate what we have.

In this specific case the Degree of Rivalry is defined by the Industry Concentration (in Lisbon Area), the Industry Growth Rate (for all the reasons pointed out before), Product Differentiation and Brand Identity. With all these “conditionings”, what can be KNC’s positioning to pursue a competitive advantage?

- Identical prices as competitors;
- Improve KNC’s products differentiation;
- Maintain a good relationship with suppliers.

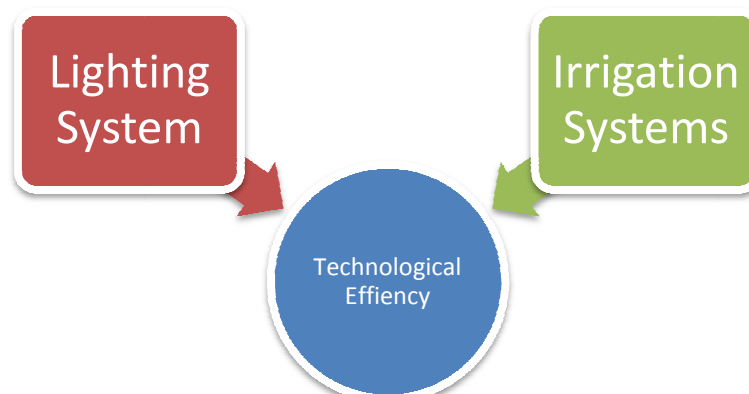
Distribution Channels, Purchase Policy and Technological Opportunities

Regarding Distribution Channels and Purchase Policy, KNC will at a first stage, outsource the services from CTT Expresso concerning the deliveries to consumers (house hold or supermarkets), trying to understand gradually the viability and sustainability of a short fleet to this need / service. Taking in to account the raw definition of Distribution Channels, in this case, we do not consider them since the business is developed only in the KNC farm where our objective is to await for the customers and serve them the best way we can and know.



Concerning the Purchase Policy, the process is very simple and effective since KNC will work with a company in the Algarve that offers great conditions since, raw materials basic equipment and irrigation systems can all be bought there, giving us a considerable bargaining power related to the quantities we buy.

The Kids Nature Camp, has the objective to develop an efficient production method. Since it's a business where there aren't many aspects to take into account, concerning what is needed to produce, the weather and the soil conditions and care are the vital aspects to the success of this project. Given this, the research done in the beginning of the project, makes us understand that the management of the farm's production as an important challenge in order to reach the maximum efficiency: the technological challenge.



This irrigation system supplied by *Rain Bird* (partner referred in the value chain), allows KNC to use water resources in an affordable and conscious way. The specific system is proved to spend the right amount of water, allowing a saving in resource of about 40% which will be reflected on the monthly costs and more obviously in the annual costs.



The Lighting system, supplied by *Ploran*, is quite new in the Portuguese market. This is a company dedicated to selling products with high energetic efficiency, assuring an energy consumption in average 60% lesser than while using the standard equipments: we are talking about, not only about lights but also about electronic devices.



TOWS	<u>Opportunities</u> <ul style="list-style-type: none"> - Initial Investment - Partnerships and Synergies - Schools - TV Shows - Parents Concern 	<u>Threats</u> <ul style="list-style-type: none"> - Financial Crisis - Credits - Competition - Raw materials price - Entrants
<u>Strengths</u> <ul style="list-style-type: none"> - Innovation - Improve Health Awareness - Highly Qualified Staff - Environment Friendly - Connecting with Nature 	<u>SO</u> <ul style="list-style-type: none"> - Schools are fundamental in Lisbon - Increase awareness to potentiate awareness 	<u>ST</u> <ul style="list-style-type: none"> - Constant Accounting attention - Permanent customer feedback - Competition Initiatives
<u>Weaknesses</u> <ul style="list-style-type: none"> - Bargaining Power - Legislation - Sustainability - Profit Margin 	<u>WO</u> <ul style="list-style-type: none"> - Make all country aware of KNC - Joint Venture with events 	<u>WT</u> <ul style="list-style-type: none"> - Staff Control - Raise Investors - Incentives to parents to plant

Well, by now we already have an idea of the market characteristics and what are the needs to be satisfied. Establishing a bridge between the market and what KNC has to offer, we will have a TOWS Analysis to know at this point, at what we are good and not good at, what can we take advantage of and what should we be careful with. We should and tried to have a critical and unbiased point of view of the firm right now so that we can really take advantage of what this Analysis has to offer.

Marketing and Sales Strategy

As a Start Up with a brand to build, this is a very important step of the Project. How to get KNC's concept to reach our target? What are the best ways to communicate with them and get their attention? These are only two of the questions that must be answered.

First of all we must be careful with the message we want to deliver, since we don't want mistakes concerning our mission and vision, previously set at the beginning of the work. For this reason we must define our Positioning through answering to 4 important questions.

- WHAT? Benefits delivered to the consumer
- FOR WHOM? Concerning Targets
- WHEN? Occasion of consumption/ usage
- AGAINST WHOM?

Referring to the What, we want our audience to understand our Functional and Emotional Benefits; this means that we want people to know that we produce biological vegetables, with no fertilizers, that are better for health, complemented with fitness and cooking classes which will contribute for an increase in attitude and posture (Functional Benefits).

The Target has already been defined and also developed before but mainly, we want to reach children from 7 to 15 years old in a way that they can transmit what they heard about the product at home, in a way that their parents gain the interest to visit the Farm. With that possible visit we expect not only to gain the children's loyalty but also the buyers, in this case, the parents. For this reason, our communication and Adds must transmit happiness and fun (for children to like) and also educational and impacting (obesity) information and data at the same time so that we assure parents will pay attention too.

The Against Whom is no longer a surprise. Alike farms and community farms, more oriented to children of our target and with more than 30 years old, respectively, are our main concern regarding our direct competition.

The When is simple, deliver the message All Year!

“ For people from “**8 to 80**” years old,
KNC is a “**All Nature**” Concept,
which gives **healthier** and **fun products** to consumers,
Because of the strong **Will** and **Determination** in
bringing the benefits of a **healthy** and **conscious**
alimentation. “

Positioning Statement

At this point, we know that the objective must be to:

- Increase Brand Awareness
 - Increase Brand Knowledge
 - Brand Preference
 - Brand “Purchase” Intention

We acknowledge that, normally, children have a huge impact on parents’ decision-making and that, when they really want something they often don’t calm down until they get a Yes or a Maybe shown up from their parents.

Concerning Advertising, Public Relations and Promotion Strategy, we believe the following table to be clear and objective of what we want to do.

<u>Tools</u>	<u>Messenger</u>	<u>Reasons</u>
<u>TV</u>	<ul style="list-style-type: none"> • Panda Channel • SIC Mulher • SIC 	<ul style="list-style-type: none"> • Reach our main target • Get the attention from decision makers (between Biggest Loser shows)
<u>BASIC ADVERTISEMENT</u>	<ul style="list-style-type: none"> • KNC 	<ul style="list-style-type: none"> • Given the amount of space available in the farm, it can be used to advertise related firms, to maximize profit.
	<ul style="list-style-type: none"> • Facebook 	<ul style="list-style-type: none"> • Reach all audience using the world

<u>INTERACTIVE ADVERTISEMENT</u>	<ul style="list-style-type: none"> • KNC Website 	wide web platform since its used every day and has a huge impact.
<u>MAGAZINES</u>	<ul style="list-style-type: none"> • Visão • Focus 	<ul style="list-style-type: none"> • Impact on Parents
<u>DAILY FREE JOURNALS</u>	<ul style="list-style-type: none"> • Destak • Metro • OJE • I 	<ul style="list-style-type: none"> • Increase Brand Awareness on parents, using this tool that is free and delivered everyday
<u>SPONSORSHIP</u>	<ul style="list-style-type: none"> • Agricultural Fairs • Green Events 	<ul style="list-style-type: none"> • Reach all target
<u>PUBLIC RELATIONS</u>	<ul style="list-style-type: none"> • Schools • ATL' s • TV shows 	<ul style="list-style-type: none"> • Reach all target

* Website reference will be visible at all time in all Advertisement used.



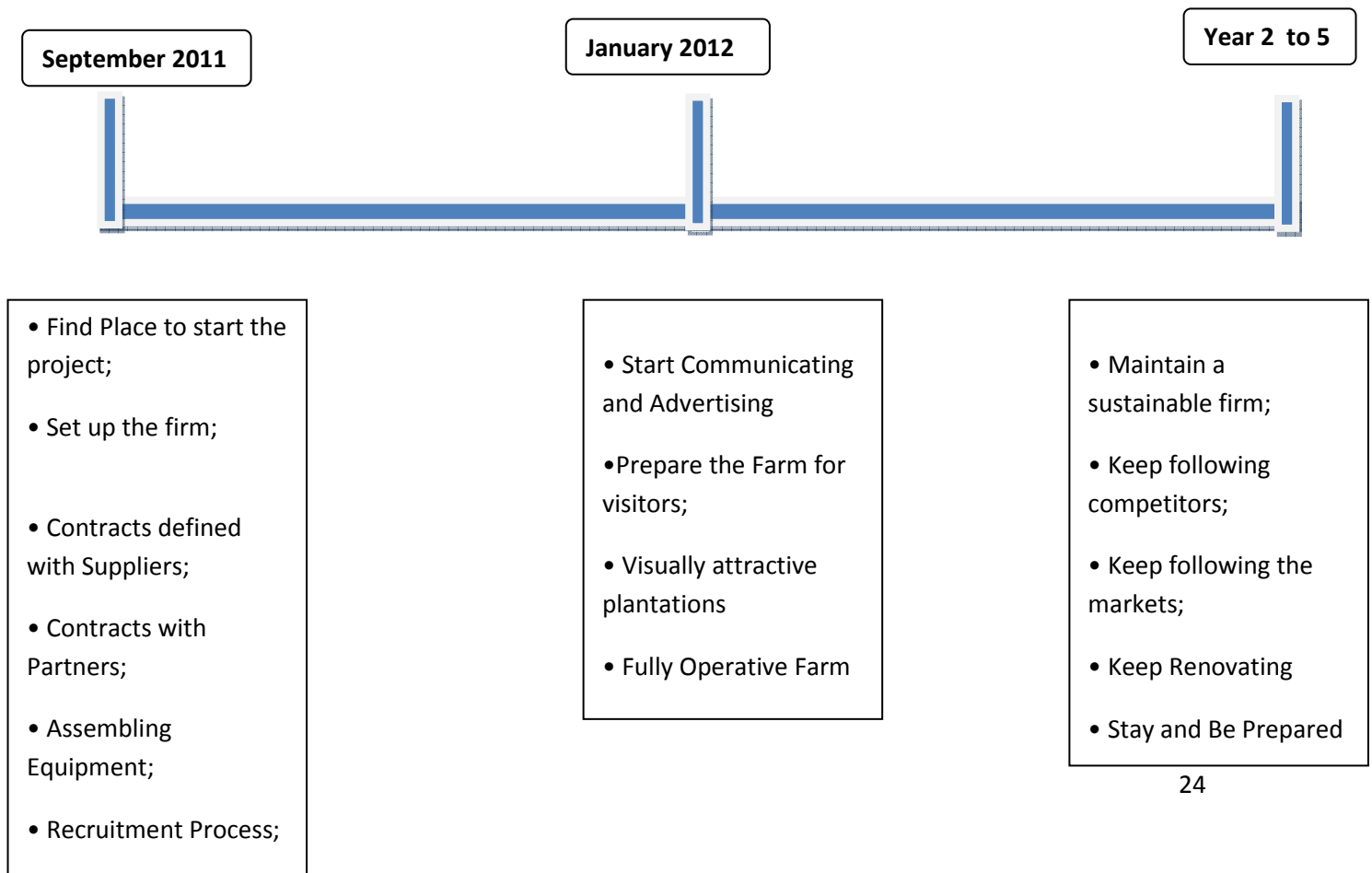
Sales Strategy, as well as Marketing, will be fundamental for our success. For that reason KNC will have, at the beginning, one “sales” manager responsible for contacting schools in Lisbon, in order to show and transmit what we do, not only to children but mainly to school responsible, as teachers and directors, given their influence on children, with whom they contact every day. Important protocols and partnerships can be set here, where a class can have, for example, their own harvest at KNC as well as free fitness and cooking lessons.

At the same level of schools are hospitals and Nutrition Clinics (although we have a nutritional space at the firm we could have different professional in different days of the week; it can be a career boost), where health professionals can play a fundamental role on spreading the word about KNC's products and services.

The huge importance of the Sales Staff is more than clear on the previous paragraph which alerts us to the need of increasing its number in a new future; they have to be outstanding communicators and sellers, therefore there will be rewards for the number of schools, hospitals and clinics contacted as well as, for effectively "convinced" ones. These incentives, will give them motivation to work more, never forgetting the importance of KPI's and performance evaluations.

Implementation Plan

The implementation plan is quite straight forward given the fact that major decisions are expected to be done in the first months of the project and with long term impact. There will always be a control on the decisions along the implementation plan, to keep the project updated and competitive.



Risk Analysis

The risk analysis can be done, taking in to consideration two elements. The Project Risk Identification and the Sector Risks Identification. In KNC, we believe that the first is the one with more weight (impact) when analyzing risk; the market / sector is attractive but assumed to behave in a constant matter, concerning global profit and production, with a small increasing perspective.

KNC will consider in its development along time, the crisis scenario when getting help from banks (loans and credits), the performance of the technological equipment and political behavior in this specific area, whether in the creation of measures to increase the development of the sector or, the creation of laws and working conditions and procedures.

KNC's risk management will also pay attention to the Financial Analysis, in a way that one more analysis (complementary) will be "designed" to defend the firm from a unexpected start, where the main changes will be around:

- Prices of services
- Number of services provided
- Quantities of Vegetables produced
- Costs with staff
- Costs with resources (water and energy)

Financial Analysis

Income Statement

Un: Euros

Ir para Versão Web Original	Year 1	Year 2	Year 3	Year 4	Year 5
Costs	314.311	333.603	360.795	473.690	662.754
Cost of Goods Sold And Raw Materials	14.259	14.410	14.606	14.897	15.275
Outsourced Supplies and Services	70.960	71.315	71.882	72.050	72.249
Labour costs	161.966	162.547	163.539	165.049	318.819
Other Costs	67.126	85.331	110.769	221.694	256.412
Revenues	387.705	439.953	513.839	850.456	1.083.594
Sales of Products and Goods	379.080	430.897	503.424	836.917	1.063.285
Sales of Services	8.625	9.056	10.415	13.539	20.309
Other Sales	0	0	0	0	0
EBIT	101.713	147.170	211.575	520.159	581.960
NET PROFIT	73.394	106.350	153.043	376.766	420.840

Balance Sheet

Un: Euros

	Year 1	Year 2	Year 3	Year 4	Year 5
ASSETS	382.848	508.698	683.405	1.164.744	1.614.589
TOTAL ASSETS	382.848	508.698	683.405	1.164.744	1.614.589
Equity	85.394	191.744	344.787	723.553	1.144.393
Liabilities	55.293	74.792	96.456	199.029	228.034
TOTAL LIABILITIES + EQUITY	140.686	266.536	441.243	922.582	1.372.427

Investment Plan

Un: Euros

	Year 1	Year 2	Year 3	Year 4	Year 5
Tangible Fixed Assets	92.900	55.050	63.153	79.688	73.182
Intangible Assets	8.200	6.900	5.100	7.100	4.800
TOTAL INVESTMENT	101.100	61.950	68.253	86.788	77.982

Depreciation

Un: Euros

	Year 1	Year 2	Year 3	Year 4	Year 5
Tangible Fixed Assets	7.350	9.994	13.650	17.749	22.534
Intangible Assets	8.000	7.900	7.500	9.100	7.200
TOTAL DEPRECIATION	15.350	17.894	21.150	26.849	29.734

Financing Plan

Un: Euros

	Year 1	Year 2	Year 3	Year 4	Year 5
Own Capital	12.000	0	0	15.000	0
Medium/Long term Payables	80.000	0	0	0	0
Short term payables	0	10.500	10.500	10.500	38.000
TOTAL FINANCING	92.000	10.500	10.500	25.500	38.000

Treasury budget

Un: Euros

	Year 1	Year 2	Year 3	Year 4	Year 5
Total income	511.483	548.121	624.795	1.007.610	1.325.640
Total disbursements	1.327.592	434.863	473.564	568.717	882.016
Cashflow	-816.109	113.258	151.231	438.893	443.624
Cash at beginning of period	0	816.109	702.850	-551.620	-112.727
CASH AT END OF PERIOD	-816.109	702.850	551.620	-112.727	330.897

Project Profitability Analysis

Capital opportunity cost (rate)	15%
Net present value	671.755
Payback Period	Nº Years: Less than 1 Months: N° -----

Ratios

	Year 1	Year 2	Year 3	Year 4	Year 5
Return on sales	18,9%	24,2%	29,8%	44,3%	38,8%
Return on assets	19,2%	20,9%	22,4%	32,3%	26,1%
Financial autonomy	22,3%	37,7%	50,5%	62,1%	70,9%
Break even point (Euros)	170.192	157.446	147.519	127.135	223.127

Conclusion

Along this Project that I consider ambitious and innovative, it becomes clear what it is about, its convictions, objectives and role in the community, specifically in the Lisbon Area.

Children are the driving force of every country around the World and must be trained and prepared to succeed in the future. Their health and eating habits are fundamental to increase their living longevity and contradict the current numbers of over weighted children.

Agriculture is a sector that has been forgotten by many (following the EU imposed conditions), in a county so rich in weather and soil conditions to plant vegetables; it is reported every day in the news and also along this project that many individuals are now choosing to plant themselves what they consume instead of buying in supermarkets.

We believe that these two elements together (Children + Agriculture) are a combination of success that together with the services provided make this a one of a kind project in Lisbon and in Portugal. The ultimate objective of KNC is to provide to customers (children, parents and adults in general) the ultimate experience with Nature, with health concern and healthy eating habits.

Specifically and concluding this statement where we attempt to show how sustainable and attractive this project is, all the Analysis done (Qualitative and Quantitative) especially the figures in the Financial that prove that KNC has what it takes to make this a Successful Project.

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ANEXXES

Questionnaire (Parents)

• Number of Children: _____

• Qual o seu grau de preocupação quanto ao número de horas que o seu filho passa dentro de casa?

☐ Muito Preocupado ☐ Preocupado ☐ Indiferente ☐ Pouco Preocupado

• Qual a relevância que atribui ao exercício físico na adolescência? (< 15 anos)

☐ Nenhuma ☐ Pouca ☐ Alguma ☐ Muita

Porquê: ☐ São adolescentes

☐ Têm tempo para se preocupar

☐ O exercício é fundamental em qualquer idade

☐ A obesidade preocupa-me

• Numa escala de 1 a 5, sendo que 1 representa pouco importante e 5 muito importante, qual a importância que atribui às seguintes actividades na vida do(s) seu(s) filho(o)?

☐ Televisão

☐ Computador + Internet

☐ Consolas

☐ Desporto

☐ Actividades ao ar livre + Contacto com a Natureza

QUESTIONÁRIO

- Idade: _____
- Ano de Escolaridade: _____

Actividades favoritas:

Dentro de Casa

- ☐ Computador (Internet,Facebook,Consolas)
- ☐ Ler
- ☐ Televisão
- ☐ Outra _____

Fora de Casa

- ☐ Desporto (qual?_____)
- ☐ Cinema
- ☐ Centros Comerciais
- ☐ Outra _____

- Depois da escola, quanto tempo, por dia, passas na tua actividade favorita?

- ☐ 1 Hora ☐ 2 Horas ☐ 3 Horas ☐ Mais de 3 Horas

- Quantos dias por semana tens Educação Física? _____

Refeições/Comida

- Quando comes fora de casa, qual o restaurante que pensas logo?

- ☐ McDonalds ☐ H3 ☐ Pizza Hut ☐ Casa das Sandes ☐ Outro:_____

- Quais os 5 Vegetais que mais gostas de comer?

1._____ 2._____ 3._____ 4._____ 5._____

- O que pensas de actividades ao ar livre e em contacto com a Natureza?

- ☐ Não Gosto ☐ Tanto faz ☐ Gosto Muito